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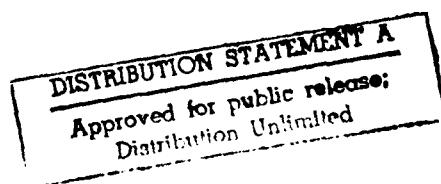
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Congress Restored

The elections of 1980 restored the Congress party, to the preeminent position that it has held since independence. Once again, the party has an overwhelming majority of parliament, controls all but a handful of state governments, and has a national leader who commands both domestic support and international attention. In retrospect, then, can one view the emergency, the defeat of Mrs. Gandhi and the Congress party in the election of 1977, and the emergence of an alternative government under the Janata party as a brief (five year) break in what is otherwise a remarkable pattern of continuity and stability in basic institutions and processes? Or were fundamental tensions in the system revealed that foreshadow still another breakdown in the parliamentary and democratic system?

First we shall consider the continuities by comparing the 1980-81 political scene with the last elected Congress government of 1971 and how both are similar to party politics of the 1950s and 60s. Then we shall consider some of the ways inwhich the character of the Congress party and the position of Mrs. Gandhi in 1981 does differ from what existed earlier.

1. In 1980 Congress won 351 Parliamentary seats with almost 43% of the popular vote as compared with 352 seats and nearly 44% of the popular vote in 1971.* In both instances the electoral coalition was similar. Congress won the support of the very rich and the very poor, from Brahmins to ex-untouchables, from well-to-do businessmen and government bureaucrats to tribal

* For a detailed analysis of the 1977 elections see my India at the Polls: the Parliamentary Elections of 1977. Washington, D.C: American Enterprise Institute for Public Policy Research, 1978. For an analysis of the 1980 elections, see my forthcoming India at the Polls, 1980: A Study of the Parliamentary Elections of 1980. Washington, D.C. and London: American Enterprise Institute for Public Policy Research.

agricultural laborers and Muslim weavers. In 1980, for example, Congress won 50 out of 79 reserved scheduled caste constituencies and 29 of 37 scheduled tribe constituencies compared with 50 and 26 respectively in 1971. In 1980 a centrist program won for Mrs. Gandhi and her party not the support of the center, that is the middle classes and the middle peasantry who were either divided or opposed to Congress, but the extremes of the class structure.

2. Congress remains the party of choice among India's religious minorities. Congress did well in the Sikh state of Punjab with 53% of the vote in 1980 and 46% in 1971. It did lose in Kerala with 26% of the vote, compared with an even lower 20% in 1971, but in both elections Congress did best in constituencies with large numbers of Christians. As far as Muslims are concerned, in 1980 Congress won a low plurality of seats (29 out of 74) in constituencies where Muslims form more than 20% of the electorate, not as well as in 1971, but still the strongest party among Muslims.

3. While its victories are based on the rural vote, the Congress position in urban India is also secure. In the cities with a million or more population, Congress won 25 out of 39 constituencies in 1980, and 26 in 1971 and it does as well in most of the smaller towns.

4. Congress once again demonstrated in 1980 that it is a national party, indeed, in electoral terms India's only national party. Congress won a majority of parliamentary seats in all of the major states with the exception of West Bengal and Kerala, improving its position over 1971 when it also failed to win a majority of seats in Gujarat and Tamil Nadu. There is no state in which Congress is not either the first or second party. In contrast, all other parties are limited to a single state or region. Janata is the most

national of the opposition parties, but in votes polled it was the second largest party in only nine states, with its strength mainly in the north. Lok Dal is the second largest in Uttar Pradesh and Orissa and the largest party in Haryana. The CPI(M) is the single largest party in West Bengal and Tripura, and the second largest in Kerala. Three other parties, the All India Anna Dravida Munnetra Kazhagam, the Jammu and Kashmir National Conference, and the Akali Dal are strong in a single state each. While there is only one truly national party, India actually has many party "systems", if by party system we mean stable patterns of competition among parties. Each state has its own party system, unique ones in the case of Tamil Nadu, Kashmir and Punjab, and shared ones in the case of some north Indian states.

5. In 1980 Congress won a majority in all but two of the ten states which held state assembly elections, Tamil Nadu and Kerala, putting Congress in control of every state except these two plus Jammu and Kashmir and West Bengal. Similarly, Congress swept the state assembly elections in 1972, winning 70% of all the assembly seats, following its parliamentary victory a year earlier.

The fragmentation of the opposition was further demonstrated in the 1980 state assembly elections. Janata split once again: it came in second only in Gujarat, while the newly formed Bharatiya Janata party (the old Jana Sangh in new garb) came in second in Rajasthan and Madhya Pradesh. The Congress (U), a splinter from Mrs. Gandhi's Congress, came in second in Maharashtra; Lok Dal was second in Bihar, Uttar Pradesh and Orissa, and in Tamil Nadu, the AIADMK again emerged as the winner. Party fragmentation was so great that the vote won by the two leading parties in any state was rarely above 70%, and in several cases less than 50%. In the 1972 assembly elections, the non-Congress parties were similarly fragmented and regionalized. Janata had not yet been formed and in its place were eight other parties, few with

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substantial electoral strength beyond a state of two.

6. Congress continues to remain weak among the middle peasantry, particularly in northern India, as demonstrated by the electoral performance of the Congress party in Uttar Pradesh, Haryana and Bihar where it won only 36%, 29% and 36% of the vote respectively. The Lok Dal, the party of the peasant owner-cultivator class won 29%, 34% and 17% respectively in these states.

Lok Dal did well in this region in 1967 and 1971, but its position in 1980 has much improved and the corresponding strength of the Congress party within this class has declined.

The Congress position within the urban middle class, never as secure as it was among the lower income groups in urban areas, was not as great in 1980 as in 1971. Much of the intelligentsia is opposed to Mrs. Gandhi and there are indications that the middle class in the largest cities voted against Congress. In 1980 Congress lost a majority of seats in the metropolitan cities of Calcutta, Bombay and Madras (but carried Delhi).

On each of these dimensions - the electoral coalition of the Congress party, the position of Congress among the scheduled castes and tribes, the Muslims, and in the urban areas, its geographic spread, the fragmentation of the opposition, and the position of Congress in the states, the situation in 1977 was an exception. Congress then, as is well known, dropped to 153 seats in Parliament with less than 35% of the vote. The lowest income groups voted against its candidates. Congress won only 16 of 78 scheduled caste constituencies, 12 of 38 scheduled tribe constituencies, and 20 of 81 Muslim populated constituencies. In the urban constituencies Congress won only 7 of 39 seats. Congress was smashed in the Hindi-speaking states where it

won only two out of 239 seats, turning the party into a regional party of the south and west. In the state assembly elections of June 1977 Congress lost all fourteen states, remaining in power only in the two southern states of Karnataka and Andhra. The old electoral coalition behind Congress had fallen apart, the victim of the emergency and the new unity of the opposition parties.

With the formation of a new electoral coalition around the Janata party, India in 1977 had as close to a two party system as the country has ever had. Janata won 43% of the vote and 298 seats. Janata and Congress won 78% of the vote and 83% of the seats in Parliament. Indeed, the combined two-party vote in 1977 exceeded what it would have been in 1971 had all the constituencies of Janata then been joined together into a single party.

The breakup of the Janata coalition in 1979, and the victory of Congress (I) in 1980 restored India to its normal political state: one national party, and many opposition parties confined to a single region or single state, with almost all of the parties further divided into factions. The 1980 elections and the post-election party splitting that followed produced a veritable parody of the fragmented multi-party system. There are now two Congress parties, the Congress (I) of Mrs. Gandhi and the smaller Congress (U), two communist parties, the CPI and the CPI(M), two Janata parties, the Bharatiya Janata party and the Janata party under Chandra Shekhar, two Lok Dals, two Dravida parties in Tamil Nadu, two Muslim Leagues in Kerala, and countless small state parties.

The party names may differ, but once again opposition parties are fragmented as they were in the 50s and 60s and while there are some electoral differences between the position of Congress and the opposition parties of 1980 and 1971 as compared with the earlier years, it is also striking as to how much similarity there is. A brief look at electoral results for the

Congress party from 1952 through 1980 shows how stable the vote for Congress has been with the exception of the elections of 1977. In the six other parliamentary elections, Congress has never fallen below 40.7% nor risen above 47.8%

Faced with a fragmented party structure, and factions within each of the parties, including Congress, Indian politicians spend much of their time trying to build political coalitions capable of winning elections and forming governments - and undercutting existing coalitions. Central to any analysis of Indian parties and elections is this fundamental principle: the political necessity of coalition building transcends program, ideology, and class interests.

II

Thusfar we have focused on the similarities between the election and post-election scene in 1980 and 1971 to emphasize the degree of political continuity. We have already alluded to some differences - the greater weakness of the Congress party among the Muslims, the divisions within the urban middle class, and the weakness of the party in the Hindi-speaking states. We might also note that the Congress position among the scheduled castes is not as secure as it was earlier. But apart from differences in the composition of the Congress coalition there are two other respects in which political trends in the 70s and 80s differ from the first two decades after independence. The first is the weakness of the local organization of the Congress party and (its corollary) the extent of centralization within the party. In the 1950s and 60s power within Congress was in the hands of state party bosses who ran traditional party machines based upon control over patronage. This pattern of multiple power centers came to an end with the split in the party in 1969 when Mrs. Gandhi, fearful that the party bosses might try to chose a new national leader, formed her own Congress party. Mrs. Gandhi then launched a populist

campaign against "big business", the ex-maharajas, and the "syndicate" as the Congress party bosses were called, and campaigned to "abolish poverty". The result of these popular appeals was that Mrs. Gandhi's Congress won a substantial victory in the 1971 parliamentary elections and the following year, after winning a popular war against Pakistan over Bangladesh, further consolidated its position in the state assembly elections. Since it was the state leaders, the presidents of the Pradesh Congress committees and the chief ministers who had challenged Mrs. Gandhi between 1967 and 1969 and whom she defeated when they ran against her candidates in the 1971 and 1972 elections, she was eager to prevent new independent centers of power from ever again rising.

Mrs. Gandhi restructured the party by centralizing it. State leaders, including chief ministers, were no longer allowed to build an independent local base in the countryside or in the party, but were appointed (or dismissed) by the prime minister. As state party organizations and state governments became increasingly subservient to the center, intra-party democracy within Congress declined. Meetings of the All India Congress Committee and the Working Committee, the two most important organs within the party, became infrequent and their political importance reduced. Not only did state governments become less independent, but even municipal governments and village panchayats languished as local governments were often superceded and local elections became infrequent. Most of the country's municipal governments were also suspended. In Bombay, Calcutta, Delhi, Hyderabad, Madras and Bangalore, municipal power was shifted into the hands of officials appointed by state or central governments. Under these circumstances, the local Congress party in the urban areas atrophied. Mrs. Gandhi may have reduced political threats to her power,

but in doing so she also weakened the local and state party organizations.

The result was that state governments became weaker and, between 1972 and 1975, the year she declared an emergency, less stable.

Many of the older functions of the Congress party - mobilizing local support, accommodating itself to local factions, providing opportunities for competing political elites, transmitting to state and central governments information about the local scene - dissipated. In the place of the party Mrs. Gandhi turned to other institutions, to the intelligence apparatus of the government, the central reserve policy and various paramilitary institutions, and to advise her on political affairs she increasingly turned not to party leaders but to a small band of trusted political advisors, a kitchen cabinet that came to be popularly known (in an invidious way) as the "caucus".

While Mrs. Gandhi's position within her own party has never been greater, nor has the party ever been as dependent upon a single leader to sustain its electoral support - Mrs. Gandhi continues to fear the emergence of any independent center of political power. The reason has less to do with political reality than sense of personal insecurity and vulnerability.

The result is that none of the country's well known national and state leaders have remained in Congress. Congress has become a one-person party (or as one wit put it in 1980 when Sanjay was still alive, a one and a half person party). Some former associates of Mrs. Gandhi in the Congress (U) are reportedly thinking of returning to Mrs. Gandhi's Congress, and her son Rajiv, is said to be interested in "consolidation", but there has been no major movement back so far, and those who return will be leaders without followers.

Mrs. Gandhi's cabinet is made up of political unknowns, and cabinet members who have shown any sign of building a political base of their own have been removed. The chief ministers she appointed were also little known and in several cases she deliberately kept them weak by appointing their opponents

to the central cabinet. She has avoided holding elections within the party since elections produce leaders with an independent political base.

It would be interesting to know what proportion of time is spent by various heads of state on politics apart from programs and policies. Surely the Indian prime minister would be high on such a list. It is not difficult to imagine what kinds of issues have absorbed Mrs. Gandhi's attention this past year. How should the government deal with the agitation in Assam against illegal migrants from Bangladesh? (Should a new government be formed with a Muslim as chief minister?) How should the government respond to the agitation of farmers in Maharashtra and elsewhere for higher procurement prices and lower rates? (Should Rajiv organize a pro-government rally in Delhi of peasant cultivators?) What should be done about the agitation among students in Gujarat against reservations for scheduled castes in the medical colleges? (How about offering caste Hindus an equivalent number of new seats to compensate them for those that are put aside as reservations?) What these issues share in common is not only the sharp and often violent social and political cleavages involving language, class and caste, but the extent to which the Prime Minister must devote her attention to these conflicts without the support and guidance of strong state party leaders.

No wonder the Prime Minister increasingly turned to her son Sanjay and now to her son Rajiv. Succession is important, but the prime minister also needs trusted advisors who can help deal with local and regional issues that have increasingly become national.

That leads us to the second way in which contemporary Indian politics differs from the politics of the 50s and 60s: the increasing nationalization of politics. One measure of how national politics has become is the extent to which the vote for Congress swings in each state in accordance with the

national results. In 1967, when the national Congress vote dropped from 1962, the party declined in 12 out of 19 states. The National Congress vote went up in 1971, and 14 states followed the trend. In 1977, when Congress declined, 13 states followed suit. Even more striking is that in the 1971, 1977 and 1980 elections twelve states consistently conformed to the national trend or, to put it another way, created the national trend. These included Karnataka, Maharashtra, Punjab, Himachal Pradesh, Orissa, Delhi, Madhya Pradesh, Rajasthan, Bihar, Uttar Pradesh, Haryana, Jammu and Kashmir and Assam, and they contain two-thirds of the Indian population. Of the six remaining "non-conformist" states, one, Andhra deviated from the national trend once, while Gujarat, Kerala, Tamil Nadu, Tripura, and West Bengal broke with the national patterns in two and sometimes all three elections.

What are the nationalizing forces that have pushed most of the states electorally in a single direction? One factor is exposure to a common communications network which make it possible for a large part of the electorate to share a common pool of information. Clashes, for example, between the police and Muslims in Uttar Pradesh, between backward castes and Harijans in Bihar, and a split within the Janata party in New Delhi, are quickly known throughout the country. To the extent that some religious, linguistic, caste, economic and occupational groups share a similar political perspective, what happens in one portion of the community in one part of the country politically affects another portion of the same community elsewhere.

A second factor is shared national economic experiences as a result of the growth of a national market. Rising prices and food shortages are less local than they once were. In the 1980 elections, for example the high price and shortage of onions and sugar was a national, not local issue. Similarly,

shortages of electric power, diesel fuel and fertilizers have an impact on agriculturalists everywhere. Government policies on dearness allowances, bonuses for industrial labor, and procurement prices for the purchase of agricultural commodities affect classes that are geographically widely dispersed. The more monetized the economy, the more inflation has a national political impact.

Thirdly, the separation of the national parliamentary elections from the state assembly elections by Mrs. Gandhi in 1971 has had a nationalizing effect. Until that year the two elections were held simultaneously with the result that factors affecting voting preferences for state assembly elections often influenced voting for national parliament (the reverse, incidentally, of the coattail effects in American politics, with national elections shaping local outcomes). This delinking of state and national elections made it possible for candidates to run as representatives of national parties, with national leaders, a national program and a national campaign. One indication that delinking was an important factor is that even in the elections of 1967 which many observers described as a national election in which inflation, the balance of payments deficit, devaluation and a widespread disillusionment with Congress seemed to affect the entire country, the state voting patterns were erratic. While the national vote for Congress declined from 1962 to 1967, there were many states in which the vote for Congress actually increased, e.g., Maharashtra, Madhya Pradesh, Rajasthan, Tripura, Haryana, Kerala and Assam. But with the delinking of the parliamentary and state elections in 1971 most of these states followed the national voting and did so in all subsequent elections.

While there are national electoral swings affecting most of the states, it is important to note that the variations from state to state in the

strength of the Congress party are greater under Mrs. Gandhi than in the 1950s and 1960s under Nehru. In West Bengal, Kerala and Tamil Nadu, the Congress electoral position has been consistently worse, while in Andhra and Karnataka it has been consistently better. Once again we are reminded that India has many different party systems, reflecting the varied social cleavages, class structures, and historical circumstances of each of the states. All they share is a national Congress party. It was the special circumstances of the emergency - the fear by various state and regional parties that the government was bringing competitive party politics to an end - that temporarily produced a coalition that made many of the state party systems look alike. With the disintegration of Janata, Indian politics has returned to normal.

III

Now that Mrs. Gandhi is again in control of her party, two thirds of Parliament, and all the major states except West Bengal, Kerala and Tamil Nadu, how is she using her power? Not much, her critics, reply. She appears to be spending most of her time on political matters, and the remainder on hundreds of administrative decisions that cabinet members and officials are reluctant to make on their own. There are some changes here and there - fewer controls over investment and imports, some efforts to expand exports, some efforts to deal with the bottlenecks in coal production, electricity, rail transport, and the ports and more attention to industry than agriculture compared with the Janata government. But there have been no significant new policy directions. India today is very much an administrative state. Pronouncements issued from the Prime Minister's office are more likely to deal with the appointment of personnel than with new policies. There are

more controversies over the wisdom of particular appointments or dismissals than over policies.

There are plenty of issues that could be addressed by the Prime Minister. In a recent review of current Indian economic policy, the Economist assailed India for its autarchic development policies which have led successive governments to encourage import substitution, favor capital over labor intensive industrial development, nationalization of industry, and opposition to foreign investment. The result has been slow industrial growth, slow growth in industrial employment (especially since 1965), and protected and inefficient industries that are less productive than their counterparts elsewhere. Since planners emphasize new industrial investment, maintenance is neglected; inefficiencies in coal production and rail transport, and poor maintenance in electric power plants have kept electric supply below demand, and slowed the pace of industrial growth and employment. Agriculture needs more irrigation, electricity, credit and in some places land redistribution if the boom affecting the Punjab, Haryana and other green revolution areas is to spread to Bihar, and Uttar Pradesh.

In short, India's critics - and friends - believe that India has the potential to become a major grain producing and exporting country, agricultural-led growth would provide an increase in consumer demand that could stimulate industrial productivity, an influx of foreign investment would bring in new technologies, and a reduction in regulations and protection would stimulate more efficient production. But all of this depends upon the pursuit of a different strategy of development and the choice of new policies.

There is no evidence that Mrs. Gandhi or any cabinet members or high officials are rethinking fundamentals. Neither political constraints nor ideological commitments are the barrier, though both do play some role.

The simple fact is that Mrs. Gandhi is not a policy oriented person. When new measures have been adopted - e.g. the nationalization of the banks, or the end of the privy purses for ex-maharajas - they were for purely political reasons. She has been prepared to relax controls, but has not shown any inclination to rethink the question of the role of controls in the economy. Mrs. Gandhi, as several observers have noted, is a leader with attitudes rather than policies, with a point of view rather than a coherent ideology. Politics, personnel, and administrative decisions is what draws her attention, not the larger questions of what new policies should be pursued.

There are, however, several economic issues that are being thrust upon the government which will have political repercussions whether the Prime Minister deals with them or not.

The first of these is the growing balance of payments deficit, the result of rising oil prices (which rose from \$13 a barrel in 1973 to \$31 in 1980), a slow growth in trade, and growing dependence upon imports not only for petroleum and petroleum products, but for iron and steel, aluminum, fertilizers, man-made fibers and yarn, paper and even edible oils. Domestic oil production, though rising, has only been able to meet 40% of the country's requirements. Oil accounts for 48% of the visible import bill, compared with 8% a decade ago.

The deficit in the balance of payments in 1979-80 was approximately \$3 billion and with the recent rise in the price of oil, it is expected to increase. If the deficit persists and the country's exchange reserves are drawn down, then India may experience a foreign exchange deficit as it did in the 1960s, though probably not to the same magnitude. Under these circumstances policymakers will try to reduce imports through import substitution,

and encourage exports. Dependence upon external agencies for funding - the World Bank for long-term loans, the IMF for short-term relief - will grow. Invariably there will be disputes, particularly if the foreign exchange situation becomes serious enough for international donors to press for devaluation, the end of subsidies, or changes in policies. The question of private foreign investment, relatively dormant for some time, has already been raised with a decision by the government to encourage investment by OPEC countries under more favorable terms. The need for an assured oil supply, for concessional payment terms, and for barter agreements (e.g. oil in return for grain in the case of the Soviet Union), will be important considerations affecting India's policies in West Asia.

The second political economy issue is the disparity between the prices of agricultural commodities and the soaring costs of agricultural production. In the last few years, peasants have become more concerned with the price and availability of agricultural inputs: commercial fertilizers, fuel for pump sets and tractors, electric power, warehouses and marketing facilities, irrigation, and credit. Farmers want procurement prices for their produce at a price that will cover the cost of their inputs and provide them with a profitable return on their investment. As a class they want better terms of trade with the city - cotton prices that are commensurate with the cost of refined sugar, and so on.

The Lok Dal has been the spokesman for this class in U.P., Bihar, Haryana, and Orissa. But since the elections in the middle peasants have become politically articulate elsewhere. In late 1980 there were peasant demonstrations in Maharashtra, Tamil Nadu and Karnataka. One interesting feature of these agitations is that they were not organized by political

parties, but produced their own leaders.

Higher procurement prices are not easily provided by the government since they result in higher food prices which in turn generate protests from industrial labor, the urban middle class, and the urban and rural poor. Leftist supporters (and critics) of the government are divided, some discrediting the middle peasantry by labelling them "kulaks" and "capitalist farmers" while others see in their protest a revolutionary potential. For the government all the solutions are painful. The country needs the energies of the middle peasantry whose productivity is essential if the economy is to expand and exports grow, but the government finds it politically difficult to pass on the higher costs of production to consumers.

It is worth noting that it is the middle peasantry, not the landless agricultural laborers or poor marginal farmers that have been politically aroused. The prediction that the poor would not benefit from the green revolution has proven to be false. Many small farmers have also adopted the new technology, and more agricultural labor is employed where the new crops are planted. The Janata food for work scheme further spread the benefits. Inequalities have grown, but there has been a trickle down. In any event, outside of West Bengal and Kerala the poorest agriculturalists have not been politically organized as have the middle peasantry.

A third set of issues has to do with the growth of middle class unemployment. Unemployment is linked to the high birthrates and declining mortality rates of the 1960s and the slow industrial growth of the seventies and early eighties. (The high annual population growth rate of the seventies, 212%, suggests that the problem will grow worse in the 1990s.) But the problem of unemployment should also be seen in the context of expanding enrollments in secondary schools and colleges. The result is a higher educational level

among the unemployed. The combined effect of rapid population growth and expanding education has been to create not a middle class, but middle class aspirants in search of white collar jobs.

One safety valve has been the export of educated manpower. Nearly a million Indians have migrated to advanced industrial countries, particularly to the U.K., the United States, Canada and the Netherlands. Since 1973, another half million Indians, many unskilled construction workers, but also clerks, typists, nurses, doctors, managers, shopkeepers, foremen, accountants, skilled machine operators, technicians and engineers have found employment in the Middle East, particularly in the Gulf states. Most of the migrants have come from Kerala, Tamil Nadu, Punjab, Goa, Gujarat, and Bombay where education levels are high and there are traditions of emigration.

For the newly educated among social classes which have previously not been educated, opportunities for overseas employment are more limited, while the competition for employment within India is more acute. The problem, therefore, of educated unemployment is particularly severe in some of the less developed regions - in Assam, Orissa, the Telangana region of Andhra, and backward sections of Maharashtra, Madhya Pradesh and Bihar. There is also an unemployment problem among the scheduled castes and scheduled tribes as their educational level has increased, although they are partially helped by the system of reservations. And there is now a growing demand from the sons and daughters of the backward castes, many belonging to the middle peasantry, who have graduated from the secondary schools and colleges to search for non-agricultural white collar employment.

The employment demands by the newly educated take a variety of forms: for regional development, industries located in rural areas, and job reservations

that can assure their social group a share of positions.* The educated unemployed do not, of course, form a single class. As members of particular linguistic communities, castes, and tribes they turn to their community for political support with the result that demands often take an ethnic form.

The emergence of demands for reservations from the backward castes in U.P and Bihar were the most recent manifestations of this phenomenon. There are also signs of growing politicization among the emerging Muslim middle classes whose demand for adoption of Urdu as an official language in various states has employment as well as cultural implications. And the recent backlash against reservations for the scheduled castes in Gujarat is an indication that the improvement of the lower castes is now seen as an employment threat to many members of the middle and upper castes.

In human terms the problem of unemployment among the recently educated is probably less acute than the larger problem of unemployment among the rural poor, but in political terms it is often more serious since the middle classes are politically more articulate and have a capacity to rally large numbers of people to their cause by appeals to ethnic solidarity.

IV

Mrs. Gandhi's government is thus faced with a series of gaps - between imports and exports, between agricultural prices and the cost of agricultural inputs, and between the rapid expansion of education and the slow growth of employment. Each of these economic issues creates political challenges for

*For a study of the relationship between middle class unemployment and the system of job reservations, see Myron Weiner and Mary Fainsod Katzenstein, India's Preferential Policies: Migrants, the Middle Classes and Ethnic Equality (Chicago: University of Chicago Press), forthcoming.

the government, particularly since policies to deal with the political problems arising from these gaps often create political costs. To give job reservations to one community, for example, is to generate political hostility from another. To help peasants is to hurt consumers. To invite more foreign investment is to evoke the anger of left nationalists.

The government may, of course, muddle through as governments often do. Several good monsoons which still further increase agricultural productivity would slow the inflation rate and might stimulate demand for and the production of consumer goods. A more rapid development of offshore oil and an improvement in coal production would ease the energy and foreign exchange situations. If the agitations are confined to a few areas then ad hoc political solutions may be possible. However, with the expansion of a market economy in agriculture and the growing trade linkages between India and the outside world the economic problems and the policies the government adopts are often international or national, not regional or local.

If these economic problems grow, if they are accompanied by an increase in agitations, if neither the center nor the states can find political ways of managing these demands, if the level of violence increases, then within the bureaucracy, the government and the Congress party there will be many to call for authoritarian measures. (The American aphorism, "when the going gets tough, the tough get going", seems appropriate.) In the mid-seventies a government led by Mrs. Gandhi failed to muddle through and took recourse instead to authoritarianism. It was the growing centralization of power within the Congress party from 1972 to 1975 and a corresponding decline in the organization and popularity of the party within the states that set the stage for Mrs. Gandhi's decision to declare an emergency. The reinstating elections of 1980 produced an even

more fragile system of authority than was produced by the elections of 1971 and 1972. Congress remains organizationally weak, and once again the Prime Minister is reluctant to allow political leaders with independent popular support to emerge in the states or in the center. At no time since independence has the electoral standing of the governing party been so dependent upon a single person's popularity. The key to India's institutional structure still remains the Congress party. So long as India has at least one political party capable of winning a parliamentary majority (or forming a stable coalition with others), with a leadership that can effectively manage the factional disputes within the party itself, and can effectively cope with its own internal succession over party leadership at the state and national level, then the prospects are reasonably good that the institutional framework that has functioned since independence with only a single interlude can be sustained. With an effective governing party, even an international and domestic economic crisis could - within limits - be managed, though accelerated inflation or a massive cut in any of the essential inputs to agricultural and industrial productivity could put a formidable burden on the system. But in the absence of such a party, whether it be Congress, Janata, or some new party, it is hard to see how the present political system could be sustained even if the economy were not in crisis. Throughout the coming decade India could experience many crises - a drought induced decline in agricultural productivity, an oil-induced price rise that spurs inflation, or political protest movements by peasant proprietors, landless laborers, industrial workers, backward castes, religious minorities, regional malcontents and other groups not yet heard from - but none of these would be as threatening to the democratic system as a division within the

governing party itself. It is this combination of intractable economic problems and a fragile institutional structure for the management of political conflict that make the Indian system vulnerable to authoritarianism.

